

Chang Hwa Commercial Bank, Ltd., Rules Governing the Scope of Powers of

Independent Directors

Enacted on 20 March 2009

Amended on 29 October 2010

Article 1

To ensure good corporate governance and establish a sound independent director system and to stipulate the scope of duties of the independent directors and empower them exercise their power, these Rules are adopted pursuant to Article 33 of the Corporate Governance Best-Practice Principles for banking industry.

Article 2

Except as otherwise provided by law and regulation or by the articles of incorporation, matters concerning the duties of independent directors of the Bank shall be as set out in these Rules.

Article 3

The following matters shall be submitted to the board of directors for approval by resolution unless approval has been obtained from the Competent Authority:

1. Adoption of or amendments to the internal control system of this Bank pursuant to Article 14-1 of the Securities and Exchange Act.
2. Adoption of or amendments to the procedures for handling material financial or business activities, such as acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others pursuant to Article 36-1 of the Securities and Exchange Act.
3. Matters in which a director or a supervisor is an interested party.
4. Asset transactions or derivatives trading of a material nature.
5. Loans of funds, endorsements, or provision of guarantees of a material nature.
6. The offering, issuance, or private placement of equity-type securities.
7. The hiring or dismissal of a certified public accountant and their compensation.
8. The appointment or discharge of a financial, accounting, risk management, internal audit officer and EVP & Chief Compliance Officer.

9. Any other matters of a material nature as prescribed by the Competent Authority.

Independent director members shall attend meetings of the Committee in person to the matters under the preceding paragraph shall be submitted to the board of directors for approval by resolution.; if an independent director member is unable to attend in person, the independent director member may appoint another independent director member as proxy to attend the meeting. When an independent director objects to or expresses reservations about any of the matters, it shall be recorded in the board meeting minutes. If an independent director intends to express an objection or reservations is but unable to attend the board meeting in person, then unless there is a legitimate reason to do otherwise, the independent director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.

Article 4

According to subparagraph 13, paragraph 1, article 20 of the Articles of Incorporation of the Bank, regardless of profit or loss, the remuneration of the directors shall be on par with the salary levels of directors of financial institutions similar in size to the Bank, and the Bank may consider providing a reasonable remuneration different from that of ordinary directors and supervisors.

Article 5

All independent directors of the Bank shall pursue continuing education, including attending the relevant training courses as required.

Article 6

Neither the Bank nor other board members may obstruct, refuse, or evade the actions of independent directors in the performance of their duties.

As they deem necessary to performing those duties, independent directors may request the board to appoint relevant personnel or to hire professionals for assistance.

Any expenses necessary to the hiring of professionals or the exercise of power under the preceding paragraph shall be borne by the Bank.

Article 7

These Rules, and any amendments hereto, shall be implemented after adoption by the board of directors.